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Korea, Republic of

Oilseeds and Products

Annual Report

2004

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Report Highlights:

MY 2004/05 soybean imports are expected to increase to 1.55 million metric tons (MMT) driven by an improved economic situation and financial restructuring in the Korean oilseed crushing industry. Increased compound feed demand from the cattle and hog sectors and recovery in the poultry sector are expected to increase 2004/05 soybean meal imports to 1.5 MMT. In MY 2004/05, imports of soybean oil are projected to increase from 150,000 to 160,000 MT.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Seoul [KS1]
[KS]

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SECTION I. SITUATION AND OUTLOOK

The Bank of Korea forecasts that the GDP growth rate will be 5 percent in 2004 compared to 2.9 percent in 2003. Although increased growth should bolster demand for food and agriculture products in general, stronger demand will be offset somewhat by increased prices for food driven by higher prices of major commodities in international markets.

SOYBEANS

Korea's soybean area is expected to remain stable at 80,000 HA in MY 2004/05. Although the Republic of Korea Government (ROKG) has instituted an area reduction program for rice, it has not resulted in additional plantings of other crops such as soybeans. Payments under the rice area reduction program are contingent on a requirement that no commercial crops can be planted on previously existing rice area. MY 2004/05 soybean production is forecast at 110,000 metric tons (MT) based on average yield for the past 5 years; up 5 percent from the previous year's crop which had yields damaged by bad weather.

In MY 2004/05, total soybean imports are projected at 1.55 million metric tons (MMT), composed of 1.25 MMT for crushing and 0.3 MMT for food processing. MY 2004/05 imports are expected to exceed MY 2003/04 levels as a result of an improving Korean economy and improved financial conditions in the crushing industry (particularly for the Shin Dong Bang facilities which came under new ownership in January 2004). In MY 2003/04, total soybean imports are estimated to reach 1.5 MMT consisting of 1.2 MMT for crushing and 0.3 MMT for food processing.

Korea has been the eighth largest market for U.S. soybean exports in recent years. In MY 2002/03, U.S. soybean exports to Korea were unchanged from the previous year at 1.23 MMT. U.S. soybean exports to Korea in MY 2003/04 are forecast to recede slightly to 1.2 MMT in part due to growing competition from South American supplies. In MY 2004/05, U.S. soybean exports are projected to increase to 1.25 MMT along with larger overall Korean soybean imports.

Soybean crushing and food processing account for most of the demand for imported soybeans. Over 80 percent of imported soybeans are processed into meal and oil. The remaining 20 percent of imports are utilized in food processing. Food processing demand for soybeans has stabilized at 300,000 MT in recent years of which the majority is sourced from the United States.

The Agricultural and Fisheries Marketing Corporation (AFMC), a state trading company, will continue to buy U.S. No. 1 non-biotech-enhanced soybeans for food processing through an identity preserved (IP) certification system under the tariff rate quota. Food manufacturing of soybean curd, soy sauce, soy paste, soy milk, and soybean meal used to produce soy-based-seasonings is based largely on U.S. soybeans (85 percent). Chinese soybeans account for the remaining portion of raw material for the food processing sector.

Private importers are expected to continue importing 50,000 - 60,000 MT of soybeans from China in MY 2003/04 and MY 2004/05 for food processing purposes. Chinese soybeans, which are imported strictly through private sector buyers, are subject to the out-of-quota import tariff rate of 487 percent or Korean Won 956/Kg, whichever is greater. Seventy percent of the soybeans imported from China are used sprouting, 20 percent are processed into soybean curd, and the remaining 10 percent are processed into soybean-based seasoning.

Since the revision of the Korean food code allowed soybean powder to be used for food

processing purposes in 1991, soybean powder imports (HS 1208.10.0000) have gradually increased to 30,000 MT in CY 2003. Soybean powder is subject to a 3 percent import tariff. Soybean curd processors have been major consumers of soybean powder. Processors say using soybean powder as a raw material for bean curd production has been more profitable than other raw materials in terms of both production yield and processing time.

MEAL

In MY 2004/05, total compound feed production is projected at 15.5 MMT, a slight increase in feed consumption in contrast to sluggish demand for compound feed in MY 2003/04. In line with the expected increase in compound feed production, MY 2004/05 soybean meal consumption and imports are expected to increase to 2.44 MMT and 1.5 MMT, respectively.

Reduced poultry meat consumption stemming from the outbreak of avian influenza in Korea in December 2003 slackened MY 2003/04 feed demand from the poultry sector for chicken and duck feed. Concurrent with the avian influenza outbreak in Korea, a BSE case was detected in the United States. Korea banned U.S. beef and other U.S. ruminant products in response. Korean beef consumption was negatively influenced by the import ban on U.S. beef. Nevertheless, Korean beef cattle producers and hog producers are expected to ramp up product to the extent possible to attempt to fill the void left by U.S. beef which accounted for nearly 50 percent of all beef consumption in Korea prior to the ban. In turn, total production of compound feeds is forecast to remain nearly unchanged from a year earlier because increased compound feed production for the cattle and swine sectors is expected to offset the reduction of poultry compound feed.

Soybean meal inclusion rates on a total compound feed basis were reported at 14.6 percent in MY 2002/03, down from 15.0 percent in the previous year. Reduced compound feed production for the poultry sector in MY 2003/04 is expected to, in turn, reduce the inclusion rate of soybean meal. Korean feed millers, closely following the 30 percent increase in international soybean meal prices since October 2003, are expected to search for alternatives to replace soybean meal.

Vegetable protein meal has been the major protein source for animal feed since the outbreak of BSE. American Soybean Association's (ASA) dehulled soybean meal program has helped Korean soybean crushers increase production of dehulled soybean meal and establish demand from feed millers for value-added soybean meal. Crushers are expected to increase the production of dehulled soybean meal to 40 percent of total soybean meal production in MY 2003/04, up 2 percent from a year earlier. Dehulled soybean meal is expected to account for 43 percent of total soybean meal production in MY 2004/05. Feed millers who have been convinced by the economic benefits of U. S. dehulled soybean meal imported 104,000 MT of U. S. soybean meal at a premium ranging from US\$ 11 – 15 per ton over Indian or South American soybean meal in MY 2002/03. However, U. S. soybean meal exports to Korea are expected to reduce to 50,000 MT in MY 2003/04 because current price differences exceed the premium importers are willing to pay for U.S. origin soybean meal.

OIL

In MY 2004/05, the Korea oil production is projected to increase to 220,000 tons from 215,000 tons in MY 2003/05. The increase is expected to be driven by an improving Korean economy and restructuring of the Shin Dong Ban crushing facility. Shin Dong Bang's oilseed crushing operation was sold to KD Partners at the end of January 2004. KD Partners is expected to resell the facilities to a third party by the end of May 2004. In MY 2003/04, soy oil production is forecast to decrease slightly due to a sluggish consumer economy caused

by credit defaults and incomplete operation of Shin Dong Bang's crushing facilities.

Concurrent with the decrease of local oil production in MY 2003/04, soy oil import demand fell prey to the dampened Korean economy which impacted local oil dealers severely during the second half of 2003. Local oil dealers play a major roll in importing and distributing crude soy oil to small and medium-sized refineries that have processing and bottling facilities. In MY 2004/05, imports of soy oil are projected to increase from 150,000 to 160,000 MT (about 7 percent) on the basis of improved expectations of Korean economic performance beginning in the last quarter of 2004.

U.S. soybean oil exports to Korea compete directly with soy oil from South America. In MY 2002/03, Korea was the 6th largest market for U.S. soy oil, down 2 steps from a year earlier. The reduced presence of U.S. soybean oil in the Korean market resulted from an increasing spread between U. S. and South American export prices to Korea. The price spread averaged US\$45/MT in MY 2002/03. Korean crude oil refiners are very reluctant to accept U.S. soy oil priced at more than US\$ 10 per ton over South American oil. Therefore, in MY 2003/04, U.S. soy oil exports to Korea is forecast to decline further in the expectation that the price spread with South American oil will continue to exceed Korean buyers willingness to pay for U.S. origin oil.

In MY 2003/04, palm oil imports are forecast to increase to fill demand for tallow substitutes. Korea has banned Canadian tallow since May 2003 and U.S. tallow since December 2003. Palm stearine is being used in Korea to replace tallow in feed sector. However, Korea has recently proposed to allow tallow imports from these countries, if the products have an insoluble impurity rate of 0.15 percent or lower, and when accompanied by appropriate certification. Both the United States and Canadian governments are currently working with Korea to finalize this proposal.

TARIFFS

In CY 2004, Korea set tariffs for the minimum market access quota at "zero" for the first 1.39 MMT of soybeans imported for crushing purposes. The tariff was set at "5" percent for the first 185,787 MT of food grade quality soybeans imported for food use. Soybeans imported out-of-quota will be assessed a tariff of 487 percent or Korean won 956/Kg, whichever is greater. CY 2004 tariff rates announced for imported soybean meal and oil, and cottonseed oils remain in line with terms of the 1993 U.S./Korean bilateral agreement. See the tables below for details.

MARKET OPPORTUNITIES

Over the next 3-5 years, the oilseed market is expected to grow at a rate of 3-5 percent a year following reduced growth in MY 2003/04. The economic recovery is expected to support strengthening demand for food and feed grade oilseeds as consumer demand for vegetable oil-based products and animal proteins rises. Imported oilseeds will remain necessary as domestic production is insufficient to meet the market requirements for even food quality beans. Significant trends that could affect U.S. exports include consumer acceptance of biotechnology and products derived using biotech-enhanced ingredients; tariff levels applied on seed, meal and edible oils, availability of affordable commercial credit, market development efforts at promoting consumption of dietary oils.

SECTION II. STATISTICAL TABLES OF OILSEED

Soybean, Oilseed PS&D

PSD Table							
Country		Korea, Republic of					
Commodity	Oilseed, Soybean		(1000 HA)(1000 MT)				UOM
	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official [Old]	POST Estimate [New]	USDA Official [Old]	POST Estimate [New]	USDA Official [Old]	POST Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004		MM/YYYY
Area Planted	81	81	81	80	0	80	(1000 HA)
Area Harvested	81	81	81	80	0	80	(1000 HA)
Beginning Stocks	119	119	119	119	117	119	(1000 MT)
Production	115	115	116	105	0	110	(1000 MT)
MY Imports	1516	1516	1550	1500	0	1550	(1000 MT)
MY Imp. from U.S.	1300	1231	1350	1200	0	1250	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1750	1750	1785	1724	117	1779	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	1250	1211	1300	1200	0	1250	(1000 MT)
Food Use Dom. Consump.	341	377	328	362	0	367	(1000 MT)
Feed,Seed,Waste Dm.Cn.	40	43	40	43	0	43	(1000 MT)
TOTAL Dom. Consumption	1631	1631	1668	1605	0	1660	(1000 MT)
Ending Stocks	119	119	117	119	0	119	(1000 MT)
TOTAL DISTRIBUTION	1750	1750	1785	1724	0	1779	(1000 MT)
Calendar Year Imports	1500	1508	1550	1500	0	1550	(1000 MT)
Calendar Yr Imp. U.S.	1300	1189	1350	1200	0	1250	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Oilseed, Soybean

Time period OCT/SEPT Units: 1,000MT

Imports for: 2001 2002

U.S. 1231 U.S. 1231

Others Others

Brazil	154	Brazil	216
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China	49	China	50
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		Argentina	19
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Total for Others	203		285
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Others not Listed	1		0
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Grand Total	1435		1516
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Source: Korea Customs Service (KCS)

Korea: 2004 Forecast of Korean Economy

KOREA: 2004 Forecast of Korean Economy				
Item	2003	2004		
	Year	First Half	Second Half	Year
GDP (%)	2.9	4.8	5.6	5.2
Current Account (billion U.S.\$)	12	2.5	3.5	6.0
Consumer Prices (%)	3.6	2.8	3.0	2.9

Source: Bank of Korea

Korea: Oilseed Area and Production

KOREA: Oilseed Area and Production (Hectares and Metric tons)				
Crops	2002		2003	
	Area	Production	Area	Production
Soybean	80,804	115,024	80,447	105,089
Rapeseed 1/	648	612	600	800
Peanuts 1/, 2/	5,483	11,212	4,079	9,000
Sesame	44,176	23,818	35,036	11,977
Perilla 1/	26,489	20,882	28,703	22,000
Total	157,600	167,842	148,865	148,866

1/ Agricultural Affairs estimate for 2003 peanuts, sesame and Perilla.

2/ in-shell

Source: Ministry of Agriculture and Forestry (MAF)

Korea: Soybean Production

KOREA: Soybean Production			
Crop Year	Area (HA)	Yield (KG/HA)	Production (MT)
1985	155,964	1,500	233,863
1990	152,265	1,529	232,786
1995	105,035	1,520	159,640
1999	87,026	1,334	116,120
2000	86,176	1,314	113,196
2001	78,415	1,501	117,723
2002	80,804	1,423	115,024
2003	80,447	1,306	105,089

Source: Ministry of Agriculture and Forestry (MAF)

Korea: Soybeans Consumption For Food Manufacturing Imported by State Trading Entities

KOREA: Soybeans Consumption For Food Manufacturing Imported by State Trading Entities (Calendar year, Metric Ton)			
Item\Year	CY 2001	CY 2002	CY 2003
Soybean Curd	118,620	106,190	107,665
Soy Sauce	37,998	40,000	40,995
Soy Paste	4,612	4,290	4,287
Soy Milk	23,556	28,000	30,461
Others 1/	3,942	1,351	472
Sub. Total	188,728	179,831	183,880
By product 2/	26,572	25,641	30,158
Grand Total	215,300	205,472	214,038

Note: Quantity is on the basis of cleaned soybean.

1/ Supply for government and military employees and others.

2/ for feed.

Source: Agricultural & Fisheries Marketing Corporation (AFMC)

Korea: Soybean Consumption for Crushing

KOREA: Soybean Consumption for Crushing (Metric Ton)			
Month	MY 01/02	MY 02/03	MY 03/04
October	97,732	110,113	97,863
November	90,931	108,508	115,975
December	105,138	111,707	117,442
January	106,081	108,673	-
February	77,860	102,386	-
March	97,712	110,162	-
April	97,526	106,423	-
May	110,040	95,080	-
June	88,158	73,613	-
July	116,914	99,905	-
August	105,567	100,687	-
September	105,263	83,880	-
Total	1,198,922	1,211,137	Na

Source: Korea Soybean Processing Association

Korea: Oilseeds Imports

KOREA: Oilseeds Imports (Metric Tons & \$,000)				
	MY 2001/02		MY 2002/03	
	Volume	Value	Volume	Value
Soybean	1,435,450	288,380	1,516,050	394,425
Peanuts, in shell	650	151	528	106
Peanut, shelled	2,242	992	1,471	386
Linseed	2,662	765	209	92
Rapeseed	0	0	323	134
Sunflower Seed	1,155	1,220	1,391	1,340
Cottonseed	113,124	17,376	122,556	21,504
Castor Bean	259	51	441	76
Sesame Seed	59,047	35,452	80,138	58,432
Mustard Seed	1,766	735	1,706	855
Safflower Seed	857	242	801	232
Perilla Seed	9,032	4,113	8,642	6,043
Total	1,626,244	349,477	1,734,256	483,625

Source: Korea Customs Service

Korea: Import of Soybean Powder

Korea: Import of Soybean Powder (MT, U\$1,000)				
Country	CY 2002		CY 2003 (1-11)	
	Quantity	Value	Quantity	Value
U. S .A	602	278	1,528	683
China	27,399	10,575	23,522	9,930
Australia	54	30	35	24
Japan	20	44	4	10
India	5	2	19	8
Total	28,080	10,929	25,108	10,655

Source: Korea Customs Service

Korea: Tariff Schedule For Oilseeds

KOREA: Tariff Schedule For Oilseeds (Percent)				
Commodity	H.S. Code	2002	2003	2004
Soybean 1/	1201.00.0000	5(0)	5(0)	5(0)
Peanuts, in Shell 2/	1202.10.0000	40	40	40
Peanuts, Shelled 2/	1202.20.0000	27.5	25.6	24
Copra	1203.00.0000	3	3	3
Linseed	1204.00.0000	3	3	3
Rapeseed 3/	1205.00.0000	10	10	10
Sunflower Seed	1206.00.0000	25	25	25
Cottonseed	1207.20.0000	3	3	3
Castor beans	1207.30.0000	3	3	3
Sesame Seed 4/	1207.40.0000	40	40	40
Mustard Seed	1207.50.0000	3	3	3
Safflower Seed	1207.60.0000	3	3	3

Note: The Seed Industry Act restricts imports of listed commodities for planting seed purpose.

1/ The number in parenthesis is the applied (temporary) duty. The applied duty of 0 percent in 2004 is assessed on the first 1.39 MMT of soybeans imported for crushing purposes. An applied duty of 5 percent is applied for 185,787 MT of food grade soybeans imported by AFMC under the tariff rate quota. Soybeans imported out-of-quota by private importers are assessed a tariff of 487 percent or Korean won 956/Kg, whichever is greater.

2/ The In-quota amount is 4,907.3 MT on a shelled basis. Peanuts imported out-of-quota are assessed a tariff of 230.5 percent.

3/ The number in parenthesis is the applied (temporary) duty on all rapeseed imported.

4/ The In-Quota amount is 6,731 MT. Sesame imported out-of-quota is assessed a tariff of 637 percent or Korean won 6,734/Kg, whichever is greater.

Source: Korea Customs Research Institute, Tariff Schedules of Korea.

SECTION II. STATISTICAL TABLES OF MEALS

Soybean Meal PS&D

PSD Table							
Country	Korea, Republic of						
Commodity	Meal, Soybean (1000 MT)(PERCENT)						
	2002	Revised	2003	Estimate	2004 Forecast		UOM
	USDA Official [Old]	POST Estimate [New]	USDA Official [Old]	POST Estimate [New]	USDA Official [Old]	POST Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004		MM/YYYY
Crush	1250	1211	1300	1200	0	1250	(1000 MT)
Extr. Rate, 999.9999	0.7544	0.75062	0.75385	0.75	ERR	0.7504	(PERCENT
Beginning Stocks	370	797	380	797	400	797	(1000 MT)
Production	943	909	980	900	0	938	(1000 MT)
MY Imports	1650	1497	1700	1400	0	1500	(1000 MT)
MY Imp. from U.S.	60	104	100	50	0	100	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	2963	3203	3060	3097	400	3235	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	52	30	30	30	0	30	(1000 MT)
Feed Waste Dom. Consum	2531	2376	2630	2270	0	2408	(1000 MT)
TOTAL Dom. Consumption	2583	2406	2660	2300	0	2438	(1000 MT)
Ending Stocks	380	797	400	797	0	797	(1000 MT)
TOTAL DISTRIBUTION	2963	3203	3060	3097	0	3235	(1000 MT)
Calendar Year Imports	1500	1456	1575	1400	0	1500	(1000 MT)
Calendar Yr Imp. U.S.	100	104	100	50	0	100	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Meal Import Trade Matrix

Import Trade Matrix

Country	Korea, Republic of		
Commodity	Meal, Soybean		
Time period	OCT/SEPT	Units:	1,000MT
Imports for:	2001		2002
U.S.	33	U.S.	104
Others		Others	
Brazil	546	Brazil	899
India	589	India	322
China	137	China	108
Argentina	186	Argentina	59
Total for Others	1458		1388
Others not Listed	9		5
Grand Total	1500		1497

Source: Korea Customs Service (KCS)

Rapeseed Meal PS&D

PSD Table							
Country	Korea, Republic of						
Commodity	Meal, Rapeseed (1000 MT)(PERCENT)						
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	POST Estimate [New]	USDA Official [Old]	POST Estimate [New]	USDA Official [Old]	POST Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Crush	2	1	2	1	0	1	(1000 MT)
Extr. Rate, 999.9999	1	1	0.5	1	ERR	1	(PERCENT)
Beginning Stocks	30	89	35	70	35	71	(1000 MT)
Production	2	1	1	1	0	1	(1000 MT)
MY Imports	273	272	300	300	0	300	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	305	362	336	371	35	372	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	42	30	42	30	0	30	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consum	228	262	259	270	0	270	(1000 MT)
TOTAL Dom. Consumption	270	292	301	300	0	300	(1000 MT)
Ending Stocks	35	70	35	71	0	72	(1000 MT)
TOTAL DISTRIBUTION	305	362	336	371	0	372	(1000 MT)
Calendar Year Imports	270	290	270	300	0	300	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Rapeseed Meal Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Meal, Rapeseed

Time period OCT/SEPT Units: 1000 MT

Imports for: 2001 2002

U.S. 0 U.S. 0

Others Others

India 206 India 249

China 58 China 23

Total for Others 264 272

Others not Listed 0 0

Grand Total 264 272

Source: Korea Customs Service (KCS)

Korea: Soybean Meal Production

KOREA: Soybean Meal Production (Metric Ton)			
Month	MY 01/02	MY 02/03	MY 03/04
October	74,310	83,345	72,938
November	66,844	82,281	83,975
December	77,197	82,975	84,888
January	81,394	79,582	-
February	59,399	74,143	-
March	75,073	79,060	-
April	74,640	76,477	-
May	83,926	69,679	-
June	67,025	52,601	-
July	88,462	73,287	-
August	79,457	73,997	-
September	79,821	61,583	-
Total	907,548	889,010	na

Source: Korea Soybean Processing Association

Korea: Feed Ingredients use for Oct/Sep

KOREA: Feed Ingredients use for Oct/Sep				
Items	MY 2001/02		MY 2002/03	
	1,000 MT	Percent	1,000 MT	Percent
Total Grains and Grain Substitution	10,078	65.5	10,124	65.7
- Wheat	1,508	9.8	1,608	10.4
- Corn	6,584	42.8	6,569	42.6
- Others	1,986	12.9	1,947	12.7
Total Vegetable Protein	3,586	23.3	3,558	23.1
- Soybean Meal	2,312	15.0	2,252	14.6
- Rapeseed Meal	240	1.6	262	1.7
- Cottonseed Meal	140	0.9	107	0.7
- Palm Kernel Meal	260	1.7	280	1.8
Copra Meal	346	2.2	365	2.4
- Others	288	1.9	292	1.9
Total Animal Protein	130	0.8	137	1.0
- Fishmeal	44	0.3	39	0.3
-Meat & Bone Meal	24	0.2	27	0.2
-Others	62	0.4	71	0.5
Total Others	1,586	10.3	1,601	10.3
TOTAL COMPOUND FEED	15,380	100	15,420	100

Source: Korea Feed Association

Korea: Soybean Meal Inclusion Rate for Compound Feed

KOREA: Soybean Meal Inclusion Rate for Compound Feed				
Animal Type	MY2001/02		MY2002/03	
	Soybean Meal Inclusion Rate (Percent)	Compound Feed Production (1,000M/T)	Soybean Meal Inclusion Rate (Percent)	Compound Feed Production (1,000M/T)
Layer	15-20	2,049	15-20	2,057
Broiler 1/	20-25	1,972	20-25	1,860
Swine	17-23	5,856	17-23	5,769
Dairy Cattle	less than 5	1,744	less than 5	1,755
Beef Cattle 2/	less than 2	2,696	less than 2	2,856
Others	15-20	1,022	15-20	1,051
Total (1,000MT)	2,312	15,339	2,252	15,348

1/ Include chicks

2/ Include Breeding Cattle

Source: America Soybean Association/Seoul

Korea: Imports of Major Protein Meals

KOREA: Imports of Major Protein Meals (October/September marketing year)				
	MY2001/02		MY2002/03	
	Volume (MT)	Value (1,000\$)	Volume (MT)	Value (1,000\$)
Soybean Meal	1,499,984	292,335	1,496,782	314,190
Rapeseed Meal	264,180	33,021	272,459	34,110
Fish Meal	43,566	29,182	37,460	25,714
Bone Meal	969	782	1,431	1,204
Cottonseed Meal	132,697	16,626	91,894	12,529
Sunflower Seed Meal	10,106	1,146	0	0
Copra Meal	365,701	30,348	371,933	32,220
Palm Kernel Meal	289,017	18,089	320,035	20,095
Corn Germ Meal	500	51	0	0
Others	44,128	3,483	48,810	3,703
Total	2,650,848	425,063	2,640,914	443,758

Source: Korean Customs Service (KCS)

Korea: Feed Production per Animal

Korea: Feed Production per Animal (October/September, 1,000 MT)			
Animal Type	MY2001/02	MY2002/03	MY2003/04 a/
Poultry	4,021	3,917	3,800
Swine	5,856	5,769	5,800
Cattle	4,440	4,611	4,700
Others b/	1,022	1,052	1,000
Total	15,339	15,349	15,300

a/ FAS/ Seoul forecast

b/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc.

Source: Korea Feed Association (KFA)

Korea: Animal Inventory

Korea: Animal Inventory (1,000 Heads, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2002	1,371	1,448	1,461	1,410
	2003	1,337	1,423	1,464	1,448
	2004	1,458	na	na	na
Dairy Cattle	2002	548	545	543	544
	2003	552	541	526	527
	2004	529	na	na	na
Swine	2002	8,719	8,791	9,033	8,974
	2003	9,027	9,050	9,287	9,150
	2004	9,120	na	na	na
Layer a/	2002	50,471	49,589	50,299	50,191
	2003	48,740	49,100	49,380	49,510
	2004	48,720	na	na	na
Broiler b/	2002	52,436	72,193	47,118	45,005
	2003	47,490	66,760	41,960	42,140
	2004	44,000	na	na	na

a/ excluded breeder.

b/ excluded Multi-Use broilers.

Source: Korea Rural Economic Institute(KREI)

Korea: Applied Tariff Schedule for Oil Cake and Meals

KOREA: Applied Tariff Schedule for Oil Cake and Meals (Percent)				
Commodity	H.S. Code	2002	2003	2004
Soybean Meal a/	2304.00.0000	3 (2.04)	3 (1.92)	3 (1.8)
Peanut Meal	2305.00.0000	5	5	5
Cottonseed Meal b/	2306.10.0000	5(2)	5(2)	5 (2)
Linseed Meal	2306.20.0000	5	5	5
Sunflower seed Meal	2306.30.0000	5	5	5
Rapeseed Meal b/	2306.40.0000	5(2)	2	0
Copra Meal	2306.50.0000	5	5	5
Palm Kernel Meal	2306.60.0000	5	5	5

a/ Figure in parentheses is the agreed rate under the 1993 bilateral agreement.

b/ Tariff In-Quota rate in parentheses: the applied duty is assessed on the first 390,000 MT of cottonseed meal. Out- quota tariff rate is 5 percent.

Source: Korea Customs Service (KCS)

SECTION II. STATISTICAL TABLES OF OILS

Soybean Oil PS&D

PSD Table							
Country	Korea, Republic of						
Commodity	Oil, Soybean (1000 MT)(PERCENT)						
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA	POST	USDA	POST	USDA	POST	
	Official	Estimate	Official	Estimate	Official	Estimate	
	[Old]	[New]	[Old]	[New]	[Old]	[New]	
Market Year Begin	10/2002		10/2003		10/2004		MM/YYYY
Crush	1250	1211	1300	1200	0	1250	(1000 MT)
Extr. Rate, 999.9999	0.1784	0.17919	0.17846	0.17917	ERR	0.176	(PERCENT)
Beginning Stocks	23	23	18	18	22	15	(1000 MT)
Production	223	217	232	215	0	220	(1000 MT)
MY Imports	200	157	210	150	0	160	(1000 MT)
MY Imp. from U.S.	50	39	50	30	0	35	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	446	397	460	383	22	395	(1000 MT)
MY Exports	10	6	10	5	0	5	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	18	18	18	18	0	18	(1000 MT)
Food Use Dom. Consump.	400	355	410	345	0	357	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	418	373	428	363	0	375	(1000 MT)
Ending Stocks	18	18	22	15	0	15	(1000 MT)
TOTAL DISTRIBUTION	446	397	460	383	0	395	(1000 MT)
Calendar Year Imports	200	163	210	150	0	160	(1000 MT)
Calendar Yr Imp. U.S.	50	42	50	30	0	35	(1000 MT)
Calendar Year Exports	10	6	10	5	0	5	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Oil Import Trade Matrix:

Import Trade Matrix

Country	Korea, Republic of		
Commodity	Oil, Soybean		
Time period	OCT?SEPT	Units:	1000MT
Imports for:	2001		2002
U.S.	56	U.S.	39
Others		Others	
Argentina	118	Argentina	113
Brazil	8		
Total for Others	126		113
Others not Listed	7		5
Grand Total	189		157

Source: Korea Customs Service (KCS)

Palm Oil PS&D

PSD Table							
Country		Korea, Republic of					
Commodity		Oil, Palm					
		2002	Revised	2003	Estimate	2004	Forecast
		USDA	POST	USDA	POST	USDA	POST
		Official	Estimate	Official	Estimate	Official	Estimate
		[Old]	[New]	[Old]	[New]	[Old]	[New]
Market Year Begin			10/2002		10/2003		10/2004
							MM/YYYY
Area Planted		0	0	0	0	0	0 (1000 HA)
Area Harvested		0	0	0	0	0	0 (1000 HA)
Trees		0	0	0	0	0	0 (1000 TREES)
Beginning Stocks		10	10	10	10	10	10 (1000 MT)
Production		0	0	0	0	0	0 (1000 MT)
MY Imports		260	208	220	220	0	220 (1000 MT)
MY Imp. from U.S.		0	0	0	0	0	0 (1000 MT)
MY Imp. from the EC		0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY		270	218	230	230	10	230 (1000 MT)
MY Exports		0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC		0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum		40	15	20	20	0	20 (1000 MT)
Food Use Dom. Consump.		220	183	190	190	0	190 (1000 MT)
Feed Waste Consumption		0	10	10	10	0	10 (1000 MT)
TOTAL Dom. Consumption		260	208	220	220	0	220 (1000 MT)
Ending Stocks		10	10	10	10	0	10 (1000 MT)
TOTAL DISTRIBUTION		270	218	230	230	0	230 (1000 MT)
Calendar Year Imports		0	213	0	220	0	220 (1000 MT)
Calendar Yr Imp. U.S.		0	0	0	0	0	0 (1000 MT)
Calendar Year Exports		0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.		0	0	0	0	0	0 (1000 MT)

Palm Oil Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Oil, Palm

Time period OCT/SEPT Units: 1000MT

Imports for: 2001 2002

U.S. 0 U.S. 0

Others Others

Malaysia 219 Malaysia 190

Indonesia 6 Indonesia 16

Total for Others 225 206

Others not Listed 3 2

Grand Total 228 208

Source: Korea Customs Service (KCS)

Korea: Vegetable Oil Production

KOREA: Vegetable Oil Production 1/ (Metric Ton)			
Commodities	MY 2000/01	MY 2001/02	MY 2002/03
Soybean Oil	191,397	214,354	217,301
Corn Oil	46,861	46,906	48,041
Sesame Oil	26,653	25,806	25,989
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	1,150	914	431
Perilla Oil	18,223	12,600	12,610
Total	294,284	310,580	315,378

1/ Agricultural Affairs estimate

Source: Agricultural Affairs, U.S. Embassy/Seoul

Korea: Soybean Oil Production

KOREA: Soybean Oil Production (Metric Ton)			
Month	MY 01/02	MY 02/03	MY 03/04
October	17,396	20,043	17,495
November	16,186	19,908	20,711
December	18,715	20,419	21,765
January	18,644	19,297	-
February	13,644	18,253	-
March	17,335	19,498	-
April	17,373	18,789	-
May	19,837	17,045	-
June	15,881	13,135	-
July	21,144	17,888	-
August	19,065	18,015	-
September	19,134	15,011	-
Total	214,354	217,301	na

Source: Korea Soybean Processing Association (KSPA)

Korea: The Supply of Edible Oils

KOREA: The Supply of Edible Oils (Metric Ton)			
Commodity	MY 2000/01	MY 2001/02	MY 2002/03
Soybean Oil	357,732	402,993	374,608
Palm Oil	213,342	227,935	207,704
Corn Oil	62,262	64,424	55,437
Rapeseed Oil	12,046	15,852	17,562
Coconut Oil	47,947	51,487	43,616
Cottonseed Oil	7,398	9,695	10,385
Sesame Oil	27,784	26,286	26,441
Rice Bran Oil	12,833	15,673	13,185
Perilla Oil	18,222	12,598	12,745
Fish Oil	10,048	9,866	6,658
Sunflower Oil	1,094	2,104	1,139
Total	770,710	838,852	769,479

Source: Agricultural Affairs, U.S. Embassy

Korea: Fats And Oils Imports

KOREA: Fats And Oils Imports (MT & \$1,000, Oct./Sep.)				
Commodity	MY 2001/02		MY 2002/03	
	Volume	Value	Volume	Value
Palm Oil	227,935	77,101	207,704	91,840
Tallow	76,233	24,358	67,555	26,474
Coconut Oil	51,487	18,614	43,616	20,893
Cottonseed Oil	9,695	4,396	10,385	6,800
Fish Oil	8,866	10,576	5,658	8,581
Soy Oil	188,639	73,141	157,307	83,884
Corn Oil	17,518	9,020	7,370	4,512
Rapeseed Oil	14,938	7,411	17,131	11,013
Palm Kernel Oil	7,097	3,026	11,148	5,490
Tung Oil	7,565	4,523	6,577	8,436
Rice Bran Oil	5,673	2,572	3,185	2,202
Castor Oil	4,039	2,691	7,220	4,737
Linseed Oil	6,241	3,352	5,824	4,660
Sunflower Oil	2,043	2,392	1,139	1,528
Safflower Oil	173	322	134	289
Olve Oil	2,818	7,293	5,016	13,590
Jobba Oil	8	148	14	243
Peanut Oil	1	17	5	12
Sesame Oil	480	976	452	849
Perilla Oil	0	0	135	149
Camellia Oil	11	103	9	59
Babassu Oil	1	2	0	0
Total	631,461	252,034	557,584	296,241

Source: Statistical Yearbook of Foreign Trade.

Korea: Applied Tariff Schedule For Fats And Oils

Korea: Applied Tariff Schedule For Fats And Oils (Percent)			
Commodity	H.S. Code	2003	2004
Lard	1501.00.10XX	3	3
Beef Tallow	1502.00.10XX	2	2
Other Tallow	1502.00.90XX	3	3
Fish Oil	1504.XX.XXXX	3	3
Soybean Oil a/	1507.XX.XXXX	5.75	5.4
Peanut Oil	1508.XX.XXXX	27.3	27
Olive Oil	1509.XX.XXXX	8	8
Palm Crude Oil	1511.10.0000	3	3
Palm Oil	1511.90.XXXX	2	2
Sunflower Oil	1512.1X.XXXX	10	10
Safflower Oil	1512.1X.XXXX	8	8
Cotton Seed Oil a/	1512.2X.XXXX	6.10	5.4
Coconut Oil	1513.1X.XXXX	3	3
Palm Kernel Oil	1513.2X.XXXX	5	5
Rapeseed Oil, Crude	1514.10.1000	10	10
Linseed Oil	1515.1X.XXXX	8	8
Corn Oil	1515.2X.XXXX	8	8
Castor Oil	1515.30.XXXX	8	8
Tung Oil	1515.40.XXXX	8	8
Sesame Oil b/	1515.50.XXXX	40	40

a/ Per 1993 US/ROK bilateral agreement.

b/ Tariff rate In-Quota. Quota is 68 MT. The Out-of-Quota tariff rate is 630 percent or 12,060 Won/Kg, whichever is greater.

Source: Korea Customs Research Institute, Tariff Schedules of Korea